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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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Dennis Palatov

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12/23/2008

O'Melveny & Myers LLP

IP&T Calendar Department LA-1118

400 South Hope Street

Los Angeles, CA 90071-2899

EXAMINER

BROWN, RUEBEN M

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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 09/506,261	<b>Applicant(s)</b> PALATOV ET AL.	
	<b>Examiner</b> REUBEN M. BROWN	<b>Art Unit</b> 2424	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 02 September 2008.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 30,32-34,36-44,46-50 and 52-56 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 30,32-34,36-44,46-50 and 52-56 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                                | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                       | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

## DETAILED ACTION

### *Response to Arguments*

1. Applicant's arguments, with respect to the Stafford reference have been fully considered but are moot in view of the new grounds of rejection. Applicant's argument against Stafford, is that the reference is inappropriate, because it is not analogous prior art. However, Flannery is presently cited, which is directed to a modular extendable memory for a host computer system 300. Flannery discloses that the modular memory, FDD 100 (which corresponds with the portable recorder/player<sup>19</sup> in Lewis, and thus reads on the claimed '*portable video content storage device*') may be connected to the host computer 300 as an internal disk drive (Fig. 3) or external disk drive (Fig. 4).

Specifically, (Fig. 3 & Fig. 4) of Flannery teaches that the modular FDD 100 may be connected to the host computer 300, via various alternate interface(s). In one alternate embodiment (col. 6, lines 17-41) Flannery discloses that the modular FDD 100 is connected to the computer 300, via a **proprietary interface**, emphasis added, which reads on the claimed, '*but the memory is not compatible with industry standard device controllers*'. Examiner points out that Microsoft Press, Computer Dictionary 3<sup>rd</sup> Edition, **defines proprietary as**; Of, pertaining to, or characteristic of something that is privately owned...generally...with specifications that are considered by the owner to be trade secrets...may only be used by a person or entity purchasing an explicit license...companies are unable to duplicate, because its

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specifications have not been divulged by the owner. Thus, the disclosure of a proprietary interface for connecting the modular FDD 100 to the computer 300 in Flannery meets the claimed subject matter.

With respect to the claimed '*security module*', applicant argues that the scrambling technique discussed in Lewis is different from the claimed '*security module*', which limits access to the memory itself, etc. However, it is pointed out that Para [0160] of Lewis, explicitly teaches, "Data stored on the built-in storage device 14 may be archived on a portable medium via portable recorder/player 19...This stored data may be in open or scrambled format...depending on whether or not the data product requires a fee for accessing, renting or purchasing...If a commercial terms between the content provider and the user are required, once transacted...an authorization key is issued for de-scrambling or unlocking the program, **whereby the user may gain access to the data**", emphasis added. Thus, Lewis is teaching that if a content downloaded onto the portable recorder/player 19 requires a fee in order to be accessed, then until the fee is arranged, the user will not be issued any authorization key, and the instant downloaded content cannot be accessed, which corresponds with the claimed subject matter.

Furthermore, Lewis teaches that the system may also be secured by a password, Para [0041] which prevents access to the device and thus also reads on the claimed subject matter. If a user is denied access to the device, then inherently the user is also denied access to the content stored in the memory of the instant device.

***Claim Rejections - 35 USC § 103***

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 30, 32-34, 36-44, 46-50 & 52-56 are rejected under 35 U.S.C. 103(a) as being unpatentable over Lewis, (US PG-PUB 2005/0144641), in view of Flannery, (U.S. Pat # 6,456,491) and Ginter (US PG-PUB 2008/0021832).

Considering claim 30, the amended claimed system for distributing video content, comprising,

*'an interactive kiosk configured to be located in a public location, the kiosk comprising a receptacle configured to manually receive a storage device via a second physical connector adapted to mate with a first connector, an input device for receiving input from a user, the kiosk further configured to securely store video content in response to the received user input',* is met by the VPR/DMS of Lewis which is a receiver that receives video programming from one or more video providers, Para [0023; 0261] . Lewis teaches that the video may at least be temporarily stored in memory 14 and secured by scrambling and/or other methods, Para [0135; 0144].

As for the claimed, *'configured to be located in a public location'*, Lewis teaches that the VPR/DMS is appropriate for a range of commercial applications, including bookstores, rental stores, music stores, etc., Para [0201].

As for the claimed, *'portable video content storage device upon which digitally encoded video content is securely stored to prevent unauthorized access, ...the storage device comprising memory capable of storing a least MPEG2 quality video content, ...a security module that connects with and limits access to the memory'*, Lewis teaches a plurality of storage devices that may interface with the receiver to download digitally compressed data, that may also be scrambled, Para [0035; 0211; 0254; 0257]. Furthermore, Lewis teaches that video data that has been stored in memory 14 may be retrieved onto one or more portable storage medium 19, Para [0198-0199; 0204-0205; 0215]. Lewis also discloses that access to the content downloaded to the portable recorder/player 19 is limited to users that have satisfied the associated fee, and have the authorization key downloaded, [0160].

*'a device controller that connects with and controls the memory, wherein the memory is compatible with the device controller but the memory is incompatible with industry standard device controllers'*, Lewis teaches that system may operate in a manner that video programming is stored in a proprietary format, which would require the unique functions of the VPR/DMS see, Para [0254; 0257].

The claimed, *'set top box comprising a second receptacle configured to manually receive the storage device via a third physical connector to mate with the first connector, the set top box further configured to access securely store video content from the storage device, and provide the video content to a display device'*, Lewis teaches that the VPR/DMS is also enabled to receive video programming from a plurality of portable storage medium, see Para, [0254]. As for, *'configured to accumulate content use data and store the accumulated content use data directly onto the storage device'*, see Para [0260], which teaches that the VPR/DMS is capable of electronic monitoring and logging all transactions.

The further claimed feature that the first, second and third connectors are incompatible with industry standards, Lewis teaches that information or content may be formatted in a manner that is proprietary, but does not mention the physical connectors. However, Flannery, which is in the same field of endeavor teaches a proprietary interface for connecting a memory device to a receiver, see Figs. 3 & 4; col. 6, lines 15-42. It would have been obvious for one of ordinary skill in the art at the time the invention was made, to modify Lewis with the teaching of a proprietary interface, as taught by Flannery, for the well-known advantage of limiting access to the devices, apparatus and/or content, by requiring the use of a non-standard interface or component.

Regarding the further claimed feature of the, *'content use data comprising at least a number of times the securely stored video content has been accessed and portions of the securely stored content that are accessed...to calculate a usage fee based on the number of times and the*

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*portions of the securely stored video content that are accessed*', Lewis only explicitly discusses billing the user based on a rental period, [0205-0209] not according to number of times usage.

However Ginter, which is in the same field of endeavor (downloading video programming to subscriber device and playback for a fee), provides a teaching of the STB recording the number of times and duration of playback of the downloaded movie for billing purposes, Para [0280, 0283, 0386, 0614, 0615, 0624]. It would have been obvious for one of ordinary skill in the art at the time the invention was made, to modify Lewis with the feature of billing customers per usage of a downloaded video content, as taught by Ginter, at least for the desirable benefit of the content provider collecting more money, especially in the event that the customer has high usage of the of the downloaded content.

Considering claim 32, a passive storage media unit reads on the portable device of Lewis.

Considering claim 33, Lewis teaches scrambling, watermarking, etc. [0260].

Considering claim 34, the claimed method of obtaining and using video content corresponds with subject matter mentioned above in the rejection of claim 30, and is likewise treated.

Considering claim 36, the claimed *'manually reinserting the storage device in the kiosk'*, reads on the combination of Lewis [0215] & Flannery (Figs. 3 & 4).

Considering claim 37, the hand-held dedicated secure video content storage device corresponds with subject matter mentioned above in the rejection of claim 30, and is likewise treated. In particular, the portable storage device 19 of Lewis, meets the claimed, '*mass storage device*', see [0215].

Considering claim 38, the physical connectors in Lewis & Flannery are electrical.

Considering claim 39, Official Notice is taken that optical connectors were known at the time the invention was made. It would have been obvious for one of ordinary skill in the art to modify Lewis with an optical connector at least, for the benefit of increased portability.

Considering claim 40, Lewis teaches authentication of the VPR/DMS.

Considering claims 41-44, 46-47 & 52-56, Lewis teaches all subject matter, see Para [0189-0191, 0211, 0213, 0214, 0260].

Considering claim 48, the claimed set-top box for accessing video content stored on a portable storage device, corresponds with subject matter mentioned in the rejection claim 30 and is likewise treated. Furthermore, Lewis teaches that the receiver is enabled to store, process and playback data products for a portable storage device, see Para [0254].

Considering claim 50, the system of Lewis inherently controls the portable storage device and decrypts data stored therein.

***Conclusion***

4. The prior art made of record and not relied upon is considered pertinent to applicant's claims.

A) Schuchman Teaches recording the number of times that a consumer plays a downloaded movie, for billing purposes, see col. 2, lines 17-19 & col. 2, lines 28-35.

B) Cheng Teaches a portable data storage device that may be protected from unauthorized use, by a password.

C) Tsuda Teaches a user terminal that records the number of times that a video game is played, so that the customer will be billed per each usage, see col. 8, lines 44-67.

5. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

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**Any response to this action should be mailed to:**

Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450  
[www.uspto.gov](http://www.uspto.gov)

**or faxed to:**

(571) 273-8300, (for formal communications intended for entry)

**Or:**

(571) 273-7290 (for informal or draft communications, please label  
"PROPOSED" or "DRAFT")

Any inquiry concerning this communication or earlier communications from the examiner should be directed to REUBEN M. BROWN whose telephone number is (571) 272-7290. The examiner can normally be reached on M-F(8:30-6:00), First Friday off.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Christopher Kelley can be reached on (571) 272-7331. The fax phone numbers for the organization where this application or proceeding is assigned is (571) 273-8300 for regular communications and After Final communications.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

/Reuben M. Brown/  
Patent Examiner, Art Unit 2424

/Chris Kelley/  
Supervisory Patent Examiner, Art Unit 2424